

M E M O R A N D U M
03-16

TO: All Department & School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: May 28, 2003

SUBJECT: **TENTATIVE FY 2004 FRINGE BENEFITS COSTS**

Tentative charges for fringe benefits for **Fiscal Year 2004** are as follows (if there are any changes you will be promptly notified):

F.I.C.A. - EMPLOYER'S SHARE

The **Maximum Old Age Survivors Disability Insurance (O.A.S.D.I.)** withholding effective for the period July 1, 2003, through December 31, 2003, is based on earnings of \$87,000 at a rate of 6.2%. The earnings maximum for Medicare withholding effective for the period July 1, 2003, through December 31, 2003, is unlimited at a rate of 1.45%. Effective **January 1, 2004**, the employer rate is expected to remain 6.2% for O.A.S.D.I. and 1.45% for Medicare. The O.A.S.D.I. maximum earnings is **estimated** to be \$89,500 and the Medicare maximum earnings will be unlimited.

PENSION

The pension cost calculation rate for **FY 2004** is currently expected to be 11.44%.

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HEALTH INSURANCE

Effective July 1, 2003, the State's contribution for eligible employees is attached. An eligible employee is one with three (3) months or more continuous full-time service.

WORKER'S COMPENSATION/DEFERRED COMPENSATION MATCH

The rate effective July 1, 2003 for FY 2004 is expected to be 1.36% of payroll.

UNEMPLOYMENT INSURANCE

The rate effective July 1, 2003 for FY 2003 is expected to be 0.12% of payroll.

NOTE: All employer fringe benefits above will automatically be charged to budgetary accounts.

All payroll recordings (Object codes 1001-1199) are to be done on an EX form. For schools, all General Fund payroll appropriations 0101 through 0136, and 0138 will have employer fringe benefits charged to appropriation 0139. For all non-school agencies, salaries will be charged to appropriation 0137 and will have fringes charged to 0137. Therefore, **unless** payroll recordings are between schools' General Fund appropriations 0101 and 0136, and 0138, the EX form must also show recoding of all applicable fringe benefits between the payroll accounts being recoded.

TLN/ed

Attachment